



Arnold Schwarzenegger
Governor

February 8, 2010
22M:384:ch:1015

Mr. Andrew Munoz, Executive Director
Orange County Community Services Agency
1300 S. Grand Avenue, Bldg. B, 3rd Floor
Santa Ana, CA 92705-4407

Dear Mr. Munoz:

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)
SUMMER YOUTH PROGRAM
FINAL MONITORING REPORT
PROGRAM YEAR 2009

This is to inform you of the results of our review for Program Year (PY) 2009 monitoring review of the Orange County Workforce Investment Board's (OCWIB) ARRA Summer Youth Program (SYP). This review was conducted by Ms. Carol Hammond from August 10, 2009, through August 13, 2009. Our review consisted of interviews with your staff and a review of the following items: expenditures charged to the ARRA SYP, oversight of your subrecipients, and procurement transactions. In addition, we interviewed service provider staff, SYP participants, and worksite supervisors, and focused on the following areas of your ARRA SYP: eligibility determination, program operations, participant worksites, participant payroll processing, and oversight.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by OCWIB with applicable federal and state laws, regulations, policies, and directives related to the ARRA grant.

This report includes the results of our review of sampled case files, interviews, OCWIB's response to Sections I and II of the ARRA SYP On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2009.

We received your response to our draft report on November 10, 2009 and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed the finding cited in the draft report, no further action is required and we consider the issue resolved.

BACKGROUND

The OCWIB allocated \$2,533,327 of its \$3,311,538 ARRA Youth allocation to serve 1,050 SYP participants. As of the week of September 30, 2009, OCWIB expended \$1,461,989 to serve 928 summer youth program participants.

ARRA SYP REVIEW RESULTS

While we concluded that, overall, OCWIB is meeting applicable ARRA requirements, we noted an instance of noncompliance in the area of work permits. The finding that we identified, our recommendation, and the OCWIB proposed resolution of the finding is specified below.

FINDING 1

Requirement: California Education Code Section 49160 states, in part, that no person, firm or corporation shall employ, suffer, or permit any minor under age of eighteen to work in or in connection with any establishment or occupation, except as provided in Section 49151, without a permit to employ, issued by the proper educational officers in accordance with law.

California Labor Code Section 1299 states, in part, every person, or agent or officer thereof, employing minors, either directly or indirectly through third persons, shall keep on file all permits and certificates, either to work or to employ.

Observation: We found that one younger youth participant, age 17, was participating in paid work experience at Irvine Valley College. However, the employer did not have a copy of the work permit. A copy of the participant's work permit was requested at the exit conference but had not been provided.

Recommendation: As stated in the California Labor Code above, every person, or agent or officer therefore, employing minors, either directly or indirectly through third persons, shall keep on file all permits and certificates, either to employ to work or to employ. We recommended that the OCWIB provide

CRO with a copy of the work permit for this youth or a CAP showing that WIA/ARRA funds have not been used to pay for the wages of an individual not authorized to perform work activities.

OCWIB Response: The OCWIB stated that the youth was authorized to participate in work experience activities based on a valid work permit which was secured prior to program commencement. The permit was included in the youth's file at the provider location. At the time of the monitoring visit, the work permit was unavailable for review. Subsequent to the state's visit, the employer included the work permit in the participant's file. A copy of the work permit was provided to the state on November 5, 2009. Additionally, OCWIB states that since the provider and employer are in compliance with the California Education and the California Labor Code. OCWIB respectfully requests that the state reflect this as a concern, as opposed to a finding in the final monitoring report.

State Conclusion: The documentation provided by OCWIB is sufficient to close this finding. We acknowledge OCWIB's request to CRD to consider this issue as a concern. However, the California Labor Code requires that the permit be kept on file with the employer. At the time of our review in August 2009, we notified OCWIB of this issue and requested a copy of the document. Although OCWIB provided a copy of the work permit in November 2009, (90 days after our request), the issue remains a finding because OCWIB was not able to provide a copy of the work permit, nor any document that a work permit had been issued to the participant, at the time of the review.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all the areas included in our review. It is OCWIB's responsibility to ensure that its systems, programs, and related activities comply with the ARRA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain OCWIB's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Jennifer Shane at (916) 654-1292.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar". The signature is fluid and cursive, with the first name "Jessie" written in a larger, more prominent script than the last name "Mar".

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50
Gilbert von Studnitz, MIC 50